

Jennifer Wood
Mayor

J. Carlos Gomez
Mayor Pro Tem

Chuck McGuire
Councilmember

Donald Parris
Councilmember

Eugene Stump
Councilmember



AGENDA

CITY OF CALIFORNIA CITY CITY COUNCIL SPECIAL MEETING

Thursday, January 11, 2018 @ 6:00 pm

Council Chambers
21000 Hacienda Blvd.
California City, Ca 93505

If you need special assistance to participate in this meeting, please contact the City Clerk's office at (760) 373-7140. Notification of 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 American Disabilities Act Title II)

NOTE: Any writings or documents provided to a majority of the City Council regarding any item on this agenda is available for public inspection in the City Clerk's office at City Hall located at 21000 Hacienda Blvd, California City, Ca during normal business hours, except such documents that relate to closed session items or which are otherwise exempt from disclosure under applicable laws. These writings are also available for review in the public access binder in the Council Chambers at the time of the meeting.

LATE COMMUNICATIONS: Following the posting of the agenda any emails, writings or documents that the public would like to submit to the council must be received by the City Clerk no later than 3pm the Monday prior to the meeting. Past that deadline citizens may bring these items directly to the meeting. Please bring 10 copies for distribution to council, staff and the public.

Agenda
January 11, 2018

At this time, please take a moment to turn off your cell phones

CALL TO ORDER

PLEDGE OF ALLEGIANCE / INVOCATION

ROLL CALL

Councilmembers, McGuire, Parris, Stump, Mayor Pro Tem Gomez, Mayor Wood

ADOPT AGENDA

PUBLIC COMMENTS

Members of the public are welcome to address the City Council only on the item listed on the agenda. Each member of the public will be given three minutes to speak.

NEW BUSINESS

NB 1.Discussion and consideration of the adoption of a Resolution placing a Special Tax Measure on the ballot for the April or June 2018 election. The amount and duration of any tax will also be discussed.

RECOMMENDATION

Council to receive public comment, discuss options and in its discretion adopt attached Resolution in accordance with direction from Council.

ADJOURNMENT

AFFIDAVIT OF POSTING: This notice was posted at least 24 hours prior to the meeting on all official City bulletin boards, as required by law.

Denise Hilliker, City Clerk

CITY COUNCIL

January 11, 2018

TO: Mayor and City Council
FROM: Robert Stockwell, City Manager
SUBJECT: Revision of the City's Special Tax Measure A

RECOMMENDATION:

1. Discuss and agree upon the final tax rate to be submitted to voters and the length of time for such a tax;
2. Approve the Resolution placing the measure on the ballot, asking voters to approve an extension of the parcel tax.

BACKGROUND:

In 2007 and 2012, the City's voters adopted an annual parcel tax on all lots and parcels in the City. The tax is paid solely by those that own land. The majority of the parcels are owned by people that live outside the City, and therefore, the majority of the tax is paid by those that live outside the City.

The tax is collected by the County on the annual property tax bill. The current rate of the tax is \$150.00 per year. This rate was approved as part of the 2012 renewal.

The tax currently generates billing of approximately \$7.5 million per year of which roughly \$6 million is actually collected during the fiscal year. This amounts to approximately 41% of the City's budget. If that budget gap is not filled the city will be forced to make substantial cuts, including cuts to police and fire.

Unless an extension of the tax is approved by the voters, the last year of the tax will be tax year 2017-18 which ends June 30, 2018.

Conservative estimates of the potential revenue generated by the Medical Marijuana Businesses in the early stages of development indicate that the potential gross revenue could ultimately exceed the revenue generated by the parcel tax over the next several years.

Staff recommends the Council adopt at a future meeting, a separate resolution declaring the Council's intent for implementing a staged reduction of the amount of the parcel tax levy during the recommended (6) six year authorization period as follows:

NB 1.

During the annual budget process beginning with the 2019/2020 fiscal year the parcel levy would be adjusted down by an amount equivalent to the actual revenue received from the directly related medical marijuana business taxes and fees.

The attached spreadsheet projections of medical marijuana funding assumes a beginning year projected revenue of \$1,200,000 which is then increased by 20% until it reaches \$7,500,000, at which point the parcel tax levy would be eliminated.

State law requires that parcel taxes be dedicated to a specific purpose. Staff recommends the tax be dedicated to police, fire, code enforcement, roads, and parks and recreation.

Attached is a resolution to place a renewal of the parcel tax on the April 10, 2018 ballot. As currently drafted, the renewed tax would have a term of six years (through and including tax year 2023-24) and would continue the existing rate of \$150.00 per parcel.

Adoption of the tax at the election will require a two-thirds vote of the electorate.

FISCAL IMPACT: If the parcel tax extension is approved by the voters at the rate of \$150 per parcel, the tax would potentially generate \$7.5 million. However, because of the history of delinquencies, it is anticipated that the tax would immediately generate approximately \$6 million per year for public safety purposes. Because this is an extension of the expiring tax, approval would roughly maintain the City's existing revenues. If voters do not approve the tax (or if the tax is not placed on the ballot by the City Council), the City's revenues will decrease by approximately \$6 million per year starting at the end of tax year 2017-18 (June 30, 2018) and continuing thereafter.

ENVIRONMENTAL ACTION: N/A

The Finance Director has reviewed the staff report and finds the recommendations to be within the budget constraints of the Department.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF CALIFORNIA CITY, CALIFORNIA CALLING A
SPECIAL MUNICIPAL ELECTION TO BE HELD ON
TUESDAY, APRIL 10, 2018 FOR THE PURPOSE OF
SUBMITTING A SPECIAL PARCEL TAX MEASURE TO
THE VOTERS OF THE CITY; REQUESTING THE
ASSISTANCE OF THE COUNTY OF KERN IN
CONNECTION WITH THAT ELECTION AND
CONSOLIDATING THAT ELECTION WITH ANY OTHER
ELECTIONS HELD ON THAT DATE**

WHEREAS, in 2007 the voters of the City of California City approved a special parcel tax on all property in the City; and

WHEREAS, in 2012, following the sunset of the special parcel tax approved in 2007, the voters again approved a special parcel tax; and

WHEREAS, the parcel tax approved in 2012 will sunset as of tax year 2017-18; and

WHEREAS, the City's general tax revenues remain insufficient to fully fund all City services unless some services are funded by a special tax; and

WHEREAS, a continuation of the special parcel tax for an additional six-year period will help the City to continue to provide essential public safety services; and

WHEREAS, the City Council desires to submit a special parcel tax measure to the voters of the City at a Special Municipal Election to be held on Tuesday, April 10, 2018 and to be consolidated with any countywide election to be held on that date; and

WHEREAS, the proposed tax (the "Special Parcel Tax") is more completely described in the ordinance attached hereto as Exhibit "A" and incorporated herein by reference (the "Tax Ordinance"); and

WHEREAS, this resolution was adopted following a public hearing that was noticed as a special meeting as required by Section 54956 of the Government Code and applicable law.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY AS FOLLOWS:

Section 1. Recitals. The City Council hereby finds and determines that the foregoing recitals are true and correct.

Section 2. Proposal. Pursuant to Section 50077 of the Government Code, the City Council hereby proposes the Special Parcel Tax.

Section 3. Election. The City Council hereby calls a Special Municipal Election for Tuesday, April 10, 2018 (the “Election”) and orders, pursuant to Section 9222 of the Elections Code, that the Tax Ordinance be submitted to the voters at that election.

Section 4. Ballot Question. The question submitted by Section 3 of this Resolutions shall appear on the ballot as follows:

To prevent cuts in police, fire, drug enforcement and emergency 9-1-1 response, to fix potholes, improve streets, and improve park and recreational services, shall the existing special parcel tax be extended for six years (through tax year 2023-2024) at a rate not to exceed the existing rate of \$150 per lot or parcel, potentially generating approximately \$7.5 million annually with such funds only to be used for police, fire, code enforcement, parks and roads?	YES	
	NO	

Section 5. Approval. Pursuant to Section 4 of Article XIII A of the Constitution, this measure requires approval by a two-thirds vote of those casting ballots on the measure.

Section 6. Consolidation. Pursuant Section 10400 et seq. of the Elections Code, the Board of Supervisors of Kern County is requested to consolidate the Election with other elections held on the same day in the same territory or in the territory that is in part the same.

Section 7. Canvass. The Board of Supervisors is authorized to canvass the returns of the Election pursuant to Section 10411 of the Elections Code.

Section 8. Conduct of Election. Pursuant to Section 10002 of the Elections Code, the Board of Supervisors is requested to permit the County Clerk to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the City agrees to reimburse the County, in accordance with current County pro-rations and allocation procedures.

Section 9. Filing with County. The City Clerk shall file a certified copy of this Resolution with the County Clerk.

Section 10. Analysis and Argument. The City Attorney shall prepare an impartial analysis of the measure. The argument shall be included with other ballot materials. Any person may prepare an argument against the measure not exceeding 300 words in length. If more than one argument is submitted against the measure, the City Clerk shall select the argument against the measure to be included with the ballot materials. Rebuttal arguments shall be permitted.

APPROVED and ADOPTED this 11th day of January, 2018 by the following roll call
vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Jennifer Wood, Mayor

ATTEST:

Denise Hilliker, City Clerk

EXHIBIT A

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF CALIFORNIA CITY,
CALIFORNIA ADDING DIVISION 5 (SPECIAL PARCEL
TAX) TO ARTICLE 1 OF CHAPTER 2 OF TITLE 3 OF THE
CALIFORNIA CITY MUNICIPAL CODE**

**THE PEOPLE OF THE CITY OF CALIFORNIA CITY DO ORDAIN AS
FOLLOWS:**

Section 1. Adoption of Special Parcel Tax. Division 5 is hereby added to Article 1 of Chapter 2 of Title 3 of the California City Municipal Code to read as follows:

DIVISION 5—Special Parcel Tax

Section 3-2.1.501. Short Title.

This Division may be referenced to as the California City Special Tax Ordinance of 2018.

Section 3-2.1.502. Tax Levied.

An annual special tax is hereby levied by the City on all lots and parcels within the boundaries of the City other than lots and parcels that (i) are exempt from this tax pursuant to the Constitution or laws of the United States or of the Constitution or laws of the State of California or (ii) are exempt from the ad valorem property tax or have an ad valorem property tax liability of zero.

Section 3-2.1.503. Maximum Rate.

The maximum rate of the tax shall be \$150 per lot or parcel.

Section 3-2.1.504. Annual Proceedings.

The City Council is authorized to determine for each tax year, by ordinance or resolution, the tax levied against each lot or parcel. The tax for a tax year shall be calculated based on a single flat rate per lot or parcel, which rate shall not exceed the maximum rate set forth in Section 3-2.1.503. The ordinance or resolution shall list each taxed lot or parcel by assessor's parcel number. The ordinance or resolution shall constitute the official record of the assessment of the special tax, and a copy thereof, together with any other pertinent data, shall be transmitted to the appropriate county officials to facilitate collection of the tax.

Section 3-2.1.505. Collection.

The tax shall be collected by the County of Kern in the same manner and subject to the same penalty and procedure as ad valorem property taxes collected by the county. Unpaid taxes shall bear interest at the same rate as the rate for unpaid ad valorem property taxes until paid. The county may deduct its reasonable costs incurred for the service before remittal of the balance to the city.

Section 3-2.1.506. Use of Funds.

Proceeds of the tax shall be used only for (1) police operations, training and supplies, personnel, equipment, law enforcement, dispatch, animal control, and facilities, (2) fire prevention and suppression operations, training and supplies, firefighter and paramedic personnel, equipment and facilities (3) code enforcement; (4) street improvements; and (5) park and recreational services and improvements.

Section 3-2.1.507. Accountability.

The proceeds of the tax shall be deposited in a special account, to be created and maintained by the City. For so long as proceeds of the tax remain unexpended, the Finance Director of the City shall file an annual report with the City Council stating the amount of taxes collected, the amount expended, and the purpose of the expenditures. Such annual report shall relate to the Fiscal Year most recently ended, and may be incorporated into or filed with the annual budget, audit or other appropriate routine report to the City Council.

Section 3-2.1.508. Duration.

The levy of tax shall commence with tax year 2018-19. The final levy of the tax shall be for tax year 2023-24, unless the tax is extended by a vote of the people.

Section 3-2.1.509. Amendment.

The City Council may, by ordinance, amend, repeal, renumber or recodify any or all of the provisions of this Section; provided, however, that no ordinance extending the tax beyond the dates set forth in Section 3-2.1.508 or increasing the maximum rate of the tax shall be effective unless submitted to, and approved by, the voters of the City as required pursuant to the applicable law at the time of such action

Section 2. Prior Tax. Nothing in the Ordinance shall be construed to affect the City's existing authority to levy a parcel tax prior to tax year 2018-19.

Section 3. Severability. If, for any reason, any portion of this Ordinance is rendered or declared invalid or unenforceable by a court or an administrative body of competent jurisdiction or by reason of any preemptive legislation, the remaining portions of this Ordinance shall remain in full force and effect.

This Ordinance was approved and adopted by the People of the City of California City at the City's April 10, 2018 special municipal election.

Jennifer Wood, Mayor

ATTEST:

Denise Hilliker, City Clerk

